

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:920

ANSWERED ON:28.07.2000

PRIVATISATION OF PUBLIC SECTOR BANKS

AJAY SINGH CHAUTALA;BIR SING MAHATO;PALANIYAPPA GOUNDER KUMARASAMY

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government propose to allow foreign private majority equity in Public Sector Banks;
- (b) if so, the details thereof;
- (c) whether the Government are aware that the decision to privatise nationalised banks by bringing down the Government's stake to 26 percent threatens to further erode the self reliance of the economy and the job security of thousands of employees also at stake;
- (d) if so, the reaction of the Government in this regard; and
- (e) the details of policy formulated by the Government for Public Sector Banks to meet social obligations ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

- (a) No, Sir.
- (b) Does not arise.
- (c) There is no proposal to bring down the Government's stake to 26%
- (d) Does not arise.
- (e) As per directions of the Reserve Bank of India, all scheduled commercial banks are to extend to the priority sector, 40% of the net bank credit for that year. There are also credit-linked schemes, which address the needs of different segments of the relatively economically and socially disadvantaged population.